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**UNITED STATES DISTRICT COURT FOR THE DISTRICT OF UTAH
CENTRAL DIVISION**

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

NATIONAL NOTE OF UTAH, LC, a Utah
Limited Liability Company and WAYNE
LaMAR PALMER, and individual,

Defendants.

**ORDER APPROVING (1) PUBLIC
SALE OF PROPERTY FREE AND
CLEAR OF INTERESTS, (2)
METHOD AND FORM OF
PUBLICATION NOTICE, (3) PUBLIC
AUCTION PROCEDURES, AND (4)
SETTLEMENT AGREEMENT WITH
CO-OWNER**

(2351 GRANT AVE., OGDEN, UT)

2:12-cv-00591 BSJ

The Honorable Bruce S. Jenkins

The matter before the Court is the *Receiver's Amended Motion and Memorandum in Support Requesting Order Approving (1) Public Sale of Property Free and Clear of Interests, (2) Method and Form of Publication Notice, (3) Public Auction Procedures, and (4) Settlement Agreement with Co-Owner (2351 Grant Ave., Ogden, UT)* (the "Amended Motion") filed by R.

Wayne Klein, the Court-Appointed Receiver (the “Receiver”) in the above captioned case related to the sale of certain real property located at 2351 Grant Ave., Ogden, UT 84401, consisting of three parcels with tax ID numbers: Parcel # 01-029-0030; Parcel # 01-029-0035; Parcel # 01-029-0034 (“the Property”).

A hearing was held on November 17, 2015 on the *Receiver’s Motion and Memorandum in Support Requesting Order Approving (1) Public Sale of Property Free and Clear of Interests, (2) Method and Form of Publication Notice, and (3) Public Auction Procedures (2351 Grant Ave., Ogden, UT)* [Docket No. 1029], which was supplemented with the *Receiver’s Notice of Settlement Agreement with Katy Athay, Co-Owner of 2351 Grant Ave., Ogden, UT, and Request for Approval* [Docket No. 1037] (collectively, the “Original Motion”). Peggy Hunt and Chris Martinez of Dorsey & Whitney LLP appeared on behalf of the Receiver. P. Matthew Cox of Snow Christensen & Martineau, appeared on behalf of Katy Athay (“Athay”). At the hearing, the Court denied the Original Motion without prejudice and stated that it would consider an amended motion. The Amended Motion has been filed in response to the Court’s statements at the hearing.

Through the Amended Motion, the Receiver is seeking (1) authorization to sell the Property at public sale to the highest and best offer, free and clear of all interests, (2) approval of the form and method of publication notice, (3) approval of proposed auction procedures, and (4) approval of a settlement agreement (the “Settlement Agreement”) between the Receivership Estate and Athay.

The Court has reviewed the Amended Motion and the *Amended Declaration of R. Wayne Klein, Receiver*, (“Amended Receiver Declaration”) together with all of the Exhibits attached thereto, all other papers filed related thereto, the representation of counsel at the hearing on the

Original Motion, and applicable law. Based thereon, and for good cause appearing,

IT IS HEREBY ORDERED that:

1. The Amended Motion is **GRANTED**.
2. The sale of the Property free and clear of interests as set forth in the Amended Motion to the proposed buyer or a higher and better offeror at auction is **APPROVED**.
3. The method and form of the publication notice as set forth in the Motion are **APPROVED**. The following notice shall be published in *The Salt Lake Tribune*, a newspaper published in Salt Lake City, Utah, and in the *Standard-Examiner*, a newspaper published in Ogden, Utah, once a week for a period of four weeks prior to the public sale:

R. Wayne Klein, Receiver for National Note of Utah, LC and its affiliated entities (the "Receiver") in the civil case styled as *Securities and Exchange Comm. v. National Note of Utah, LC et al.*, Civ. Case No. 2:12-cv-00591 (D. Utah) ("Civil Case"), gives notice of his intent to sell certain real property located at 2351 Grant Ave., Ogden, UT 84401, consisting of three parcels with the following parcel tax ID numbers: 01-029-0030, 01-029-0035, 01-029-0034 (the "Property") through a public auction to the highest bidder payable in lawful money of the United States on the ___ day of _____, 2015 at the hour of ___ on the Property at the above stated address, or as may be continued from time to time by the Receiver (the "Auction"). The Property will be sold at the Auction free and clear of all interests, "as is" with no representations and warranties. The Receiver has accepted an initial bid of \$600,000.00 together with a \$20,000.00 deposit to act as the opening "Stalking Horse Bid" at Auction. Only "Qualified Bidders" may participate in the Auction. To be a Qualified Bidder, you must comply with the "Auction Procedures" that have been approved in the Civil Case, which Auction Procedures may be obtained upon request made to the Receiver's counsel at: Dorsey & Whitney LLP, attn: Michelle Montoya, 136 South Main Street, Suite 1000, Salt Lake City, Utah 84101; montoya.michelle@dorsey.com.

The Receiver gives further notice that he has entered into an agreement with the co-owner of the Property, Katy Athay ("Athay") under which Athay consents to the sale of the Property at Auction to the highest and best bidder. The Receiver anticipates that Athay will be a Qualified Bidder at the Auction, and she will be entitled to credit bid her 50.8% interest in the Property calculated as follows: The highest bid amount at Auction (minus standard closing costs, real property taxes (estimated at \$123,514.78), Athay's agreed share of expenses for the Property

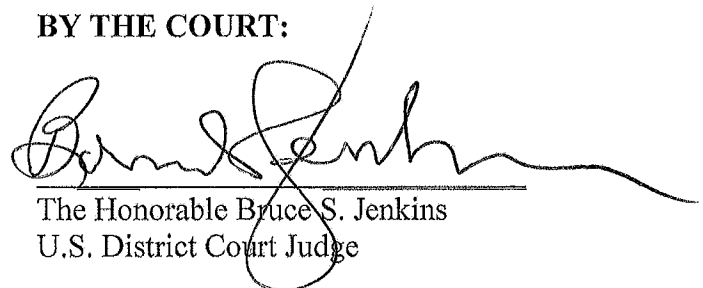
(\$54,708.99) and \$36,000.00 (sales commission)) x .508 + \$18,288.00 (50.8% of sales commission) (the "Credit Bid"). The Credit Bid affords Athay a premium because she is being given credit for her portion of the sales commission in exchange for her agreement to sell the Property and to settle numerous claims with the Receiver related to the Property and her investments with National Note of Utah, LC. Athay will be allowed to use her Credit Bid and a third party lender commitment as a deposit for the sale in lieu of cash. If Athay is not the highest and best bidder at Auction, she will agree to the sale of the Property and be paid 50.8% of the sale proceeds, less her portion of the closing costs, commission, taxes and post-receivership expenses agreed to as stated above.

4. The Auction Procedures described in the Amended Motion and attached to the Amended Motion as Exhibit B are **APPROVED**.

5. The Settlement Agreement described in the Motion and attached to the Amended Receiver Declaration as Exhibit F is **APPROVED**.

DATED this 20th day of Nov., 2015.

BY THE COURT:



The Honorable Bruce S. Jenkins
U.S. District Court Judge